



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

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**LOCAL COMPANY CONVICTED AND SENTENCED IN CLEAN WATER ACT CASE**

PHILADELPHIA - Chemical Equipment Labs, Inc., located at 60 Walnut Street, in Marcus Hook, PA, pleaded guilty today and was sentenced for a criminal violation of the Clean Water Act relating to its discharge of a pollutant, without a permit, into the Marcus Hook Creek on April 25, 2007, announced United States Attorney Zane David Memeger. CEL sold and distributed chemicals and chemical compounds, including industrial wastewater treatment and pool chemicals, ice melting products, oil lubricants and oil absorbents. CEL routinely washed the interior of 400- to 500-gallon plastic tanks, which were used to ship liquid chemicals via truck, to remove residual contamination prior to shipping different chemicals. This process generated chemical-contaminated waste water. On April 25, 2007, CEL employees rinsed the interior of the tank of a CEL truck which had been used to transport sodium hypochlorite (chlorine). A CEL employee opened a valve on a company delivery truck and allowed the contaminated wastewater to flow into a manhole in the company's parking lot. As a consequence, the next day, April 26, 2007, the Marcus Hook fire and police departments responded to and notified EPA and the U.S. Coast Guard of a chemical spill in the Marcus Hook Creek. Further investigation revealed that toilets located inside the CEL facility were used to discharge chemical contaminated wastewater into the sanitary sewer system leading to a regional waste water treatment plant owned and operated by the Delaware County Regional Authority ("DELCORA"), resulting in physical damage to DELCORA's sanitary sewer consistent with repeated discharges of caustic material. This damage included corroded concrete.

Following the guilty plea, U.S. District Court Judge Harvey Bartle, III sentenced the defendant to pay a \$75,000 criminal fine and placed the company on probation for four years with a number of conditions, including the following:

- the company must develop and implement an Environmental Compliance and Ethics Plan, which includes the following requirements:
- mandatory requirement that current and future CEL employees read the new CEL environmental compliance manual, with documentation of such activity kept for five years. The manual must cover general areas of federal, state and local environmental regulations, including Clean Water Act permit and pretreatment requirements, management of solid and hazardous waste; regulatory agency notifications in case of spills, releases, emissions or discharges of pollutants into the environment; dealings

with regulatory inspectors and personnel, and the importance of accuracy, timeliness and honesty in reporting to regulatory agencies all information required by environmental laws and regulations;

- establishment of a system which requires its employees to report environmental noncompliance without fear of retribution;
- establishment of a system for providing systematic training to new employees and refresher training for other employees on federal, state and local environmental regulations, which must be provided by independent contractors during the first three years of probation;
- designation of a supervisor with direct responsibility for environmental compliance who must attend at least 40 hours of environmental training per year;
- the company must have an independent environmental consultant conduct an annual environmental audit of its facility in Marcus Hook, Pennsylvania, with the findings, any proposed corrective actions and a schedule for correction reported to the United States Attorney's Office, the Probation Office, the U.S. Environmental Protection Agency ("EPA"), the Pennsylvania Department of Environmental Resources ("PADEP") Southeastern Office in Norristown, Pennsylvania, and the Delaware County Regional Waste Water Authority ("DELCORA") during the period of probation. The first audit will be performed no later than 180 days after sentencing;
- the company must submit within 60 days of entry of the guilty plea documentation identifying the consultant, a copy of the contract between CEL and the consultant, which details the scope of the audit to be performed and a schedule of interim and final deadlines for the first annual audit. Similar information will be submitted at least 45 days prior to performance of successive annual audits;
- The consultant will follow generally accepted environmental auditing techniques, procedures and policies in designing and executing the audits, including the reporting of deficiencies and corrective measures. The audits will cover all regulated environmental matters regardless of whether regulation occurs at the federal, state or local level;
- CEL will notify the U.S. Probation Office, U.S. Attorney's Office, the EPA, the PADEP and DELCORA at least 10 days prior to commencement of each annual audit. Each agency will have the right to have personnel accompany the consultant during all or part of each annual audit;

- CEL will have the consultant prepare and furnish to the Probation Office, the U.S. Attorney's Office, the EPA, PADEP and DELCORA, a final report on its findings and recommendations at the same time the consultant provides it to CEL; and
- CEL will submit a written report to the Probation Office, the U.S. Attorney's Office, the EPA, PADEP and DELCORA no later than 30 days after receiving the final consultant's report for each audit, detailing what action CEL has taken and intends to take to correct any noted deficiencies and regulatory violations.
- the company must publish advertisements at its own cost in an appropriate trade journal and local newspaper describing the defendant's conduct, its conviction and sentence, steps taken to prevent reoccurrence and how other regulated entities can avoid similar prosecution.
- the company must repair at its own cost the \$2,000 worth of physical damage to the Delaware Country Regional Authority's sanitary sewer system.

The case was investigated by the U.S. Environmental Protection Agency Criminal Investigative Division and the U.S. Coast Guard Investigative Service. It was prosecuted by Assistant United States Attorney John J. Pease.

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